

Personal Income Taxes

Indiana offers competitive local taxes.

Individual State Adjusted Gross Income Tax
County Individual Adjusted Gross Income Tax (CAGIT)
County Option Income Tax (COIT)
County Economic Development Income Tax (CEDIT)

All links under a specific tax will open from a 1.2 MB PDF.

Individual State Adjusted Gross Income Tax

Taxpayer: Individuals, partners, stockholders in subchapter S corporations, trusts, estates, and nonresidents with income from sources in Indiana.

Tax Base: Except for trusts and estates, the base is the federal adjusted gross income with additions of the amounts subtracted on federal returns for interest income, net operating losses derived from sources outside of Indiana, state income taxes, recoveries of previously allowed deductions, and the ordinary income part of certain lump sum distributions that are "averaged" for federal income tax. For trusts and estates, the tax base is the federal taxable income, subtracting only the income that the federal law or Constitution prohibits taxing. Income and deductions are reduced proportionately to apply only to Indiana income for part-year Indiana residents.

Tax Rate: 3.4%

Deductions and Exemptions

Download:

<http://www.in.gov/doc/compare/PDFs/2003taxbookwebadjusted.pdf#nameddest=ISAGIDeductions>

Credits

Download:

<http://www.in.gov/doc/compare/PDFs/2003taxbookwebadjusted.pdf#nameddest=ISAGICredits>

Procedure

<http://www.in.gov/doc/compare/PDFs/2003taxbookwebadjusted.pdf#nameddest=ISAGIProcedure>

Contact: Income Tax Individual Section, Compliance Division, Department of State Revenue (insert email!)

County Individual Adjusted Gross Income Tax (CAGIT)

Taxpayer: An individual who resides in a taxing county, or an individual who maintains his principal place of employment or business in a taxing county (as of January 1 of the calendar year in which the individual's taxable year commences) but does not reside in a county that

imposes the County Adjusted Gross Income Tax, the County Option Income Tax, or the County Economic Development Income Tax.

Tax Base: Indiana Adjusted Gross Income.

Tax Rate: 0.25% for nonresident county taxpayers, and 0.5%, 0.75%, or 1% for resident county taxpayers (according to the election of each county council). If a county council elects to decrease its CAGIT rate, it may do so by increments of 0.1%.

For more download:

<http://www.in.gov/doc/compare/PDFs/2003taxbookwebadjusted.pdf#nameddest=CAGITRate>

County Residency Determination

Download:

<http://www.in.gov/doc/compare/PDFs/2003taxbookwebadjusted.pdf#nameddest=CAGITCounty>

Principal Place of Employment or Business Determination

Download:

<http://www.in.gov/doc/compare/PDFs/2003taxbookwebadjusted.pdf#nameddest=CAGITPrincipal>

Major Deductions and Exemptions

Download:

<http://www.in.gov/doc/compare/PDFs/2003taxbookwebadjusted.pdf#nameddest=CAGITDeductions>

Procedure

Download:

<http://www.in.gov/doc/compare/PDFs/2003taxbookwebadjusted.pdf#nameddest=CAGITProcedure>

Credits

<http://www.in.gov/doc/compare/PDFs/2003taxbookwebadjusted.pdf#nameddest=CAGITCredits>

Contact: Income Tax Division, Department of State Revenue

County Option Income Tax (COIT)

Taxpayer: An individual who resides in a taxing county, or an individual who maintains his principal place of employment or business in a taxing county (as of January 1 of the calendar year in which the individual's taxable year commences) but does not reside in a county that imposes the County Adjusted Gross Income Tax, the County Option Income Tax, or the County Economic Development Income Tax.

Tax Base: Indiana Adjusted Gross Income.

Tax Rate: 0.2% initially for resident county taxpayers (according to the election of each county income tax council) increasing by 0.1% each year until the rate equals 0.6%. After reaching 0.6%, the county income tax council may pass an ordinance to increase the tax rate

by 0.1% each year until reaching a maximum tax rate of 1%. County income tax councils, by ordinance, may also decrease or freeze their COIT rates.

County Residency Determination

Download:

<http://www.in.gov/doc/compare/PDFs/2003taxbookwebadjusted.pdf#nameddest=COITCRD>

Principal Place of Employment or Business Determination

Download:

<http://www.in.gov/doc/compare/PDFs/2003taxbookwebadjusted.pdf#nameddest=COITPrincipal>

Deductions and Exemptions

Download:

<http://www.in.gov/doc/compare/PDFs/2003taxbookwebadjusted.pdf#nameddest=COITDeductions>

Credits

Download:

<http://www.in.gov/doc/compare/PDFs/2003taxbookwebadjusted.pdf#nameddest=COITCredits>

Contact: Income Tax Division, Department of State Revenue

County Economic Development Income Tax (CEDIT)

Taxpayer: An individual who resides in a taxing county, or an individual who maintains his principal place of employment or business in a taxing county (as of January 1 of the calendar year in which the individual's taxable year commences) but does not reside in a county that imposes the County Adjusted Gross Income Tax, the County Option Income Tax, or the County Economic Development Income Tax.

Tax Base: Indiana Adjusted Gross Income.

Tax Rate* CEDIT may be imposed at the following tax rates: 0.1, 0.2, 0.25, 0.3, 0.35, 0.4, 0.45, and 0.5% (with certain exceptions). In counties that impose CAGIT and CEDIT, the combined rates may not exceed 1.25% (with certain exceptions). In COIT counties, the combined COIT/CEDIT rate may not exceed 1% (with certain exceptions). Counties decreasing their CAGIT or COIT rates may not adopt CEDIT or increase their CEDIT rates in the same year.

For more download:

<http://www.in.gov/doc/compare/PDFs/2003taxbookwebadjusted.pdf#nameddest=CEDITRate>

County Residency Determination

Download:

<http://www.in.gov/doc/compare/PDFs/2003taxbookwebadjusted.pdf#nameddest=CEDITCounty>

Principal Place of Employment or Business Determination

Download:

<http://www.in.gov/doc/compare/PDFs/2003taxbookwebadjusted.pdf#nameddest=CEDITPrincipal>

Deductions and Exemptions

Download:

<http://www.in.gov/doc/compare/PDFs/2003taxbookwebadjusted.pdf#nameddest=CEDITDeductions>

Credits

Download:

<http://www.in.gov/doc/compare/PDFs/2003taxbookwebadjusted.pdf#nameddest=CEDITCredits>

Contact: Income Tax Division, Department of State Revenue